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RE: CP Water Company, Francisco Grande Utilities Company, Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. – Joint Application for transfer of Certificate of Convenience and Necessity (CC&N) and Assets (Docket Nos. WS-01775A-07-0485, SW-03575A-07-0485, W-02442A-07-0485, and W-03576A-07-0485)
INSUFFICIENCY LETTER #2

Dear Sirs:

In reference to the above mentioned application filed on August 20, 2007, and the supporting documents filed on October 26, 2007, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. In response to Staff's September 19, 2007 Insufficiency Letter, Item No. 1, CP Water Company, Francisco Grande Utilities Company, Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. (collectively, the "Applicant" or "Global ") stated "[a] copy of the draft bills of sale with the lists of assets are attached. The purchase of the companies was completed in December 2006,..." Please provide a copy of the bill of sale, purchase contract or other instrument, which conveys the assets to Global Water Resources, LLC and/or its subsidiary.
2. In response to Staff's September 19, 2007 Insufficiency Letter, Item No. 6, Global stated that it does not plan to physically interconnect the Santa Cruz Water system ("Santa Cruz") and the CP system ("CP") and Francisco Grande Utilities ("Francisco Grande"). Staff understands that there are existing customers in the CP system but no water customer served by Francisco Grande. Currently the CP purchases water from the Arizona Water Company ("AWC") through a service agreement to serve its customers. In this filing, there is no evidence or proposal by Global on how CP and Francisco Grande would be served. Please explain in detail how Santa Cruz and Palo Verde plan to serve CP and Francisco Grande. If Santa Cruz would still purchase water from AWC,

please provide a copy of the new service agreement between AWC and Santa Cruz. If Santa Cruz plans to haul water from the Santa Cruz to CP, Santa Cruz should file a water-hauling tariff for CP.

3. It is clear that CP existing water customers are septic tank users, there is no immediately sewer service needed in this area, but it does not mean that the Pinal County will approve septic tank permits for the future customers. Francisco Grande does have its own small wastewater treatment plant. Currently it only serves Francisco Grande Resort. Global indicate in the response to Staff's September 19, 2007 Insufficiency Letter, Item Nos. 7 and 8 that there are no plans to physically interconnect the Palo Verde sewer system ("Palo Verde") and CP or Francisco Grande. Global did not state if Francisco Grande wastewater treatment plant will expand to serve the future customers or not. Please explain how Global intends to serve future customers in Francisco Grande wastewater CC&N area.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), the time-frame for administrative completeness review shall be suspended from the time the notice of deficiency is issued until staff determines that the application is complete. Upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting.

Please file your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Dorothy Hains at 602-542-7274.

Very truly yours,



Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace